

**COCHIN
LEGISLATIVE COUNCIL PROCEEDINGS**

OFFICIAL REPORT OF THE BUDGET SESSION, 1117

Monday, the 27th July 1942
11th Karkadagam 1117

The Council met in the Council Hall at Eleven of the Clock with the Hon'ble President, (A. F. W. DIXON ESQ., C.I.E., I.C.S.), in the Chair.

The Hon'ble Sir Henry Craik, Political Advisor to His Excellency the Crown Representative, Lieut. Col. G. P. Murphy, Resident for the Madras States and Mr. B. M. Bacon, Special Officer, were present. The Political Advisor and the Resident were seated on the dais on either side of the President.

Messrs. C. R. Iyyunni, P. K. Madhava Menon, C. Kunjan Nambudiripad, Shabdai S. Koder and Mrs. C. R. Iyyunni were absent.

Welcome Address by the President

Mr. President: I am sure Hon'ble members will join with me in according a cordial welcome to our distinguished guests with us today, the Hon'ble Sir Henry Craik, Political Advisor to His Excellency the Crown Representative, and Lieut. Col. G. P. Murphy, Resident for Madras States.

Message from His Excellency Generalissimo and Madame Chiang-Kai-Shek

Mr. President: I have also a message to read out. You will remember that, at the last meeting of the Council, a resolution was passed unanimously which reads as follows.—

"This Council recommends to Government that the Government of India may be requested to convey to His Excellency Generalissimo Marshal Chiang-Kai-Shek and Madame Chiang, the greetings of the people of Cochin on the occasion of their first visit to India".

We have received a message from the Generalissimo and Madame Chiang as follows.—

"Generalissimo and Madame Chiang-Kai-Shek deeply appreciate the warm greetings conveyed to them by the Cochin Legislative Council on behalf of the people of Cochin, and wish to offer their hearty thanks for the friendly feelings therein manifested. They are confident that the friendship and good understanding between China and India will not only be further strengthened in this united struggle for a common cause, but also remain a firm basis for co-operation for world peace".

Swearing in

Messrs. A. Madhava Prabhu, M. Sivarama Menon, Khan Sahib Y. Mohamed Roshan Sahib and C. K. Nayar were sworn in.

OPENING SPEECH BY THE PRESIDENT

Mr. President: Honourable Members,

I extend to you all a most cordial welcome to the Budget Session of this Council. We meet at a critical moment in the world's history, at a moment when Germany, knowing that time is not on her side is making a supreme and desperate attempt to secure mastery of the world. The effect of these stupendous exertions is seen alike in Southern Russia, in Egypt and on the vital sea supply routes. The British Minister of Supply has just reminded us that at no time since the Battle of Britain have we stood in graver peril. Though we are all confident of the final result, yet it is clear that we must concentrate our energies more than before on giving all the aid in our power to the war effort of the United Nations.

The year has been an eventful and a difficult one for Cochin State. At the beginning of the year the State was slowly recovering from the devastating effects of the severe cyclone of the 26th and 27th May 1941, and throughout this year which is now coming to a close that great storm was still making its presence felt, particularly in respect of the cocoanut crop. Until December last the people of this State could feel that, while the winning of the war was of vital importance for their future security and happiness, it was being fought far from its shores, and that the State was unlikely to be directly affected. With the entry of Japan into the war

all this was changed. The rapid advance of the treacherous foe towards and into the Bay of Bengal, created conditions which made a hostile attack a possibility and necessitated preparations being made to meet it. The gallant resistance put up by Ceylon and the victories in the Coral Sea and near Midway Island have greatly lessened the danger, but it would be a fatal mistake on that account to relax our vigilance. Never before has the Scout motto "Be Prepared" been more applicable.

Japan's advance westward has been halted, but has proceeded far enough to strike one severe blow at our economic structure. The paddy fields of Burma which filled the gap between the production and consumption of our staple food are now in enemy hands, and strenuous efforts have had to be made by Government with the co-operation of the people to ensure that His Highness' subjects have a sufficiency of essential food.

Thus it has been a difficult year through which the State has had to pass, and it would be wildly optimistic to suggest that further serious difficulties do not lie ahead. In such circumstances, what in broad outline should our financial policy be? Surely it should be firstly to conserve our resources by exercising economy in expenditure other than that necessitated by the peculiar circumstances of our times. This is necessary in a general sense due to the uncertainty of the future and growing expenditure inevitable in the present circumstances, such as Civil Defence, dearness allowance and the like, and it is particularly necessary in this State, which depends for so much of its revenue on receipts from Customs and the Railway, which are liable to violent fluctuations in war time. Secondly to make adequate provision for what I will term "nation-saving" expenditure. That is expenditure on activities designed to promote the safety and security of the State and its people both now and in future years. Under this head will clearly come expenditure on the war effort generally and on Civil Defence. Fortunately, however, there are several important "nation-building" activities which in present circumstances are "nation-saving" also. I refer particularly to expenditure on activities and projects designed to increase food production in the State and to provide employment during difficult times, such as the food production drive, irrigation schemes and the Anamallais Road Scheme. These schemes give promise of benefit to the State, not only now, but in future years also. So far as taxation and additional revenue are concerned, we should avoid so far as possible placing additional burdens on the shoulders of those classes which would have difficulty in bearing them, any additional war time taxation being levied so far as possible on the well-to-do classes to whom the war has brought additional profits.

With this as the background I will now give a brief review of the budgetary position of the State. The position will be indicated only in broad outline. Full details will be given later on by the Hon'ble Finance Member and also in the Explanatory Memorandum which has been supplied to Hon'ble Members.

It was expected that the accounts of the year 1116 would close with a surplus of Rs. 5.53 lakhs. Actually, the surplus amounted to Rs. 12.04 lakhs, and we were able to transfer the substantial sum of Rs. 10 lakhs to the Revenue Reserve Fund, thus leaving an actual surplus of Rs. 2.04 lakhs. As against the revised estimate of receipts of Rs. 119.98 lakhs the actual revenue of the year was Rs. 121.46 lakhs. As against the total anticipated expenditure of Rs. 111.67 lakhs, the actual expenditure was only Rs. 109.42 lakhs. The important variations in the actuals as compared with the budget estimates are given in separate tables in the Explanatory Memorandum. The main increases in revenue were Rs. 1.16 lakhs under Customs, Rs. 1.46 lakhs under Forests and Tramway, Rs. 2.52 lakhs under Railway, and Rs. 1.64 lakhs under Income-tax.

For the current year we budgeted for a revenue of Rs. 113.48 lakhs, while the revised estimate shows that the revenue anticipated reaches the record figure of Rs. 127.56 lakhs. As against the budgeted expenditure of Rs. 108.97 lakhs, the revised estimate of expenditure will be Rs. 119.62 lakhs, also a record figure. It will thus be seen that while we anticipated a surplus of Rs. 4.52 lakhs at the time of the preparation of the budget, we now expect that there will be a surplus of Rs. 7.94 lakhs in the current year. The statements showing the variations in revenue will disclose that while the only substantial fall is Rs. 0.58 lakhs under "Land Revenue" due to the grant of cyclone remissions, there are striking increases under Income-tax, Railway, Forest and Tramway, Interest and Miscellaneous. The main increase in expenditure in the revised estimate when compared with the Budget estimate is under Miscellaneous, which includes Civil Defence such as expenditure on A. R. o P., Evacuation Centres and Special Guards, an Rsd. 1 lakh lump sum contribution towards the cost of H.M.I.S. Cochin.

As regards taxation the only increases in the current year have been the levy of Excess Profits Tax and a slight increase in Income-tax, following the introduction of the slab system. No new taxes are proposed for 1118.

1941-42 was a difficult year for Cochin Port. It is not possible this year for reasons of security to give figures of trade, shipping and finance. It may be mentioned, however, that the Port's overseas trade during the year ending in March 1942 suffered a serious setback on the whole, due chiefly, to the serious diminution at first, and stoppage later, of imports of Burma rice and paddy, which alone represented nearly one half of the pre-war total trade. It is, however, very satisfactory to note that the financial results of the year's working under the Revenue account was a surplus of nearly Rs. 2 lakhs according to the supplementary accounts for March 1942 compared with an estimated deficit of Rs. 0.68 lakh. This satisfactory result was largely attributable to the imposition of super-dues on both cargoes and ships effective from June—August 1941 and the handling at the Port's own wharves of a greater quantity of traffic than anticipated.

The capital works done during the year were minor items. Facilities at the shallow wharf at Willingdon Island were improved by the provision of a new railway goods shed, a timber pond and a number of loading and unloading platforms with the necessary railway connections. The new facilities are outside the Port's wharf premises and the arrangement has enabled the handling there of the inland railborne traffic of the Harbour Terminus Station which tended previously to jam the working of overseas cargo.

The necessary maintenance dredging on the entrance channel for the season 1941-42 was carried out by the dredger "Lord Willingdon" in 15 days of continuous day and night work. The interior channels and the turning basin were also cleaned up by the Port's bucket dredging plant.

In times like this it is impossible to forecast the future prospects of the Port of Cochin. This much however can be said. The Port has been rendering notable service to India during the present emergency, and will be in a position to contribute to the prosperity of this country after peace is restored.

The net earnings to the Cochin Government from the State Railway during the current year amounted to Rs. 8.04 lakhs against Rs. 6.37 lakhs in 1116 and Rs. 4.35 lakhs in 1115. The increase is due to increased traffic and freight charges. The interest realised on the capital expenditure was 6.86 per cent, a satisfactory result of the year's working. On the advice of the Railway Company the net earnings in the 1118 budget have been estimated at Rs. 7 lakhs yielding an interest of 5.98 per cent.

The Revenue Reserve Fund was created in 1114 by the transfer of Rs. 4.50 lakhs from the realised surplus of 1113. The total amount which has been credited to the fund is Rs. 29 lakhs, of which as much as Rs. 10 lakhs was credited during this year. In 1115 and 1116, Rs. 2 lakhs were withdrawn for rural development work and Rs. 2.25 lakhs for school and hospital buildings. In 1117, Rs. 1 lakh was allotted for rural development and Rs. 1 lakh for H. M. I. S. Cochin. In 1118 we propose to allot Rs. 2 lakhs for rural development of which Rs. 1.70 lakhs will be spent on minor irrigation schemes which are of such importance in connection with the drive for increased food production. This leaves of Rs. 20.75 lakhs, a satisfactory sum to have in reserve to meet unforeseen contingencies during the present emergency, or to utilise on beneficial schemes particularly during the post war period.

The position in regard to the assets and indebtedness of the State are set out in the statement attached to the printed budget. This reveals the strength of our financial position. The total liabilities of the State at the end of 1117 including the various deposit funds will be Rs. 2,34,68,186. Against this we have got assets amounting to Rs. 3,55,67,710. The assets of the State will exceed its liabilities by Rs. 1,20,99,554 at the end of 1117. The excess is expected to increase to over Rs. 1.24 crores by the end of 1118. The position is eminently satisfactory.

Considering the budgetary position of the State over a series of years we have good cause for satisfaction. Our revenue has increased rapidly from Rs. 89.37 lakhs in 1107 to Rs. 105.37 lakhs in 1113 and to the record figure of Rs. 127.56 lakhs this year, an impressive total for a State of this size. Since the year 1112 the most striking increases have been under Income-tax, Forests, Customs and Railways. During the same period there has been a marked increase in expenditure on nation-building services, notably on Education, Medical and Panchayats. During the same period our net surplus of assets over liabilities excluding the Revenue Reserve Fund has grown from Rs. 106.21 lakhs in 1112 to Rs. 120.99 lakhs in

1117 and an anticipated figure of Rs. 124.18 lakhs in 1118. The strength of our financial position is undoubted and we can look forward to the future with confidence.

For the ensuing year we have budgetted for a revenue of Rs. 124.36 lakhs and an expenditure of Rs. 121.16 lakhs. The total anticipated revenue includes an appropriation of Rs. 2 lakhs from the Revenue Reserve Fund for Rural Development and if this sum is deducted, the ordinary revenue for the State for the next year will be Rs. 122.36 lakhs which is the highest budget estimate figure, reached so far in the financial history of the State, though it is Rs. 3.20 lakhs below the anticipated revenue of the current year.

Analysing the expenditure including also Capital Expenditure and provision under Advances Recoverable, it will be found that this is a "nation-saving" budget in the wider sense, including "nation-building" activities which are "nation-saving" also. Under Civil Defence there is a provision of Rs. 2.5 lakhs under A.R.P. and connected activities. A.R.P. is organised according to instructions many of them confidential received from time to time from the Government of India. It is not desirable in the public interest to describe in detail all the measures taken but it may be said that the training of A.R.P. Services in Ernakulam and Mattancheri has made rapid progress during the past 9 months, and that the system of A.R.P. in those towns is generally efficient and effective. A.R.P. exercises in recent months have proved not only the growing efficiency of the various services, wardens, firefighters, first-aiders, messengers and rescue parties alike, but have also shown that the general public has learnt how to behave during an air raid, a lesson which may save hundreds of lives should an attack ever take place. Steady progress is noticeable in Trichur, and arrangements are being made for A.R.P. on a more modest scale in several of the small towns in the State. This progress, it may be mentioned, has been achieved at comparatively moderate cost to State funds.

There is a provision of Rs. 68 lakhs for Special Guards. This force which now numbers 1,149 including Special Coast Guards has performed many useful tasks and proved its worth in no uncertain manner during periods of emergency.

In order to increase the efficiency of the Police Force provision is made, *inter-alia*, for a Police Training School organised on up-to-date lines, for the construction of Police Lines where urgently needed and for house rent allowances where lines are not available. Provision is also made for the more effective training of the Nayar Brigade.

Government fully realised the difficulties to which low paid Government servants were put due to the rise in the cost of living and a dearness allowance of Re. 1 to Government servants drawing a pay of Rs. 25 and below was sanctioned from the 16th December, 1941. Subsequently due to a further substantial rise in prices this was increased to Rs. 2 from the 15th June, 1942. The cost will be Rs. 0.49 lakhs in 1117 and Rs. 1.78 lakhs in 1118 excluding aided school staff.

Before passing on to the absorbing topic of rice control, which has been so much in our minds of late, I will make brief references to the largest of all our Departments, that of Education, and to the oldest, the Revenue Department. Cochin shares with Travancore the honour of being the most advanced area educationally in India, but one aspect of education in this State has made little progress. I refer to physical education, which is now generally recognised as being a vitally important element in any properly designed system for the training of youth. The importance of physical education is particularly obvious at this time, when young men, and women too, sound in mind and limb, are required for work of all kinds in defence of their country. Hence it is that arrangements have been made for the appointment of several fully trained physical instructors in high schools, for the training of 8 more in the College of Physical Education in Madras, for the acquisition of lands for playgrounds and for the appointment of a playground committee to make a regular survey of Ernakulam, Mattancheri and Trichur and submit recommendations regarding playing space for colleges and schools.

To turn to the Revenue Department, remission totalling Rs. 64,314-5-5 was granted to alleviate the heavy losses caused by the cyclone. Remission of rent on fisheries amounting to Rs. 13,395-6-3 was granted on account of the losses resulting from the closure of the Burma prawn market. A bill of far-reaching importance affecting the Revenue Department, namely, the Cochin Verumpattomdars Bill was introduced by the Government during the year, and is now before a Select Committee. The bill is intended to give fixity of tenure to Verumpattomdars. Pending the passing of the Bill a Proclamation has been promulgated preventing the institution of suits for eviction.

against Verumpattomdars, or their eviction in execution of a decree and staying all pending suits and appeals for eviction.

Rs. 8.5 lakhs were provided under Advances Recoverable for the purchase of rice and Rs. 2,580 under revenue expenditure for the price control staff in 1117, and Rs. 8 lakhs for rice in 1118 and Rs. 8,910 for staff. From the day on which Japan entered the war up to the present the Government have been throughout giving the most anxious consideration to the rice problem. A Press Communique issued on 8th July 1942 gave some account of the steps taken by Government to ensure so far as is humanly possible that the people of this State do not suffer from a scarcity of rice. In view of the great interest which is naturally being taken in this most pressing problem, I propose, at the risk of some repetition to give a brief resume of what Government have done. When Japan entered the war endeavours were made through the authorities concerned to obtain as much rice as possible from Burma, as even then the possibility of the interruption of communications had to be envisaged. As soon as the import of rice from Burma stopped, arrangements were made for launching a grow more food crops campaign. So far as is known Cochin led all India in starting this year's food production drive. The scheme made provision for the leasing of all available State lands on very favourable terms, for advances to lessees in case of necessity, for provision of seeds and plants by the Agricultural Department, for the remission of occasional double crop charges, and for measures necessary to induce or compel landlords to cultivate food crops. Householders were also encouraged to cultivate food crops in their compounds. A Food Production Commissioner was appointed with a staff, and the Hon'ble Minister conducted a whirlwind campaign throughout the State, producing excellent results as I can testify to from personal observation.

The Government also kept a careful watch on grain stocks in Mattancheri, and, as has been publicly explained, stepped in at the right moment and purchased the greater part of the stock remaining. About 45,000 bags were thus purchased, and moved to wholesale depots established in various centres where rice could be purchased by retailers at reasonable prices.

Meanwhile, besides imposing price control in the State and warning merchants, the Government made strenuous efforts to secure the transport for rice from the Circars and from Tanjore. It was obvious however that unilateral action would not suffice and the Government of India stepped in, holding a series of price control conferences, at the last of which it was decided to constitute separate regional boards, one to consider transport and the other the question of supplies within specified regions. Three meetings of each of our Regional Boards have been held in Madras, at the second of which I myself was present, and it is satisfactory to note that Madras, by cutting down her own consumption, has supplied what could be spared to the neighbouring States and that, by dint of strenuous efforts, it is possible now to report that the transport difficulty appears to be in course of being overcome. I feel I ought to pay a tribute to the Madras Government and to the Railway Companies for the sympathetic way in which they have treated the insistent and what must have appeared importunate demands of this State and the sister State of Travancore. As a result of a visit I paid to Trivandrum a friendly agreement was reached with Travancore regarding the rice problem. Cochin and Travancore now stand together in regard to rice, each having promised to help the other during this difficult time. We possess a joint quota, we issue permits jointly, fix prices jointly, have jointly appointed officers at Bezwada and Tanjore and have promised to come to each other's aid in case of scarcity.

As is generally the case when there is a scarcity or an anticipated scarcity of any essential commodity, profiteering has been indulged in. Vigorous steps have been taken to put a stop to this. Not only has a special staff been appointed with the dual object of stopping profiteering and seeing that rice is so distributed that there is no shortage anywhere but all executive officers have been instructed to take an active part in the anti-profiteering drive. Importing merchants who profiteer will be struck off the quota list and Government will, if necessary, take over the stocks of profiteers and sell them from their own depots. Prosecutions have been and are being launched in a good many cases. New depots are now being opened by Government and old ones restocked. Retail shops have been opened by Municipalities and are being established by Government where necessary in the enclaves. Government have also reassured the public on several occasions regarding the rice position, as nothing helps the profiteer more than alarmist reports about the present and the future. Prices have risen and fluctuated inevitably due to competition among buyers at Tanjore and lack of price control there. It is hoped as a result of certain proposals put forward at the last Regional Conference that this difficulty will be overcome.

When considering this question of prices, I think it is well to remind ourselves that a rise in prices of agricultural commodities is not an unmixed evil. There are many rice-growers

in this State and they benefit. Further the rise in the price of rice has been accompanied by an even steeper rise in the price of cocoanuts, which has in recent months mitigated the evil effects of the cyclone, and promises to bring long awaited prosperity to the many cocoanut growers in the months that lie ahead.

While devoting special attention to rice Government have also had to face difficulties in regard to kerosene and sugar. As a result of Japanese depredations it is not possible for the Oil Companies to supply the usual quantity of kerosene. Government in consultation with the companies are endeavouring to ensure an even distribution of oil available throughout the State. Price control is in force and vigorous measures are being taken to stop profiteering. Kerosene is sold in retail by Municipalities and outside them in Government rice depots. The public have been asked drastically to reduce their consumption of kerosene oil.

The position in regard to sugar is different. The all-India supply is sufficient, but the shortage of rolling stock makes distribution difficult. We have recently promulgated a Sugar Control Order providing for the fixing of prices and for the retention of our quota within the State. We are arranging for our quota through the Sugar Controller for India.

To return to our major problem, there was a good rice crop in India generally during the last season, and in this State. Present prospects in this State for the first crop also are good. With the co-operation of our friendly neighbours, in Madras and Travancore, I feel confident that we will pull through. However to make assurance doubly sure Government are taking further steps to ease the situation. The food production drive is now assuming a new shape. The drive for the cultivation of waste land is almost over and a drive for an increase of second crop cultivation has begun. Cultivators are being encouraged to grow second crops not only by the remission of occasional double crop charges, but also by the loan of seeds in certain cases and provision of manure depots in every Panchayat in the State obtainable on credit. Every facility will also be given for the removal of manure leaf from Government forests. The Hon'ble Minister who, for the first time in the history of the Council, will be following the Diwan-President with an opening speech, will, no doubt, deal in some detail with the Agricultural Department's programme in connection with the grow more food campaign. The Chief Engineer is working out schemes for temporary irrigation works which he hopes will result in bringing 6,000 more acres under second crop cultivation. The Hon'ble Minister has, at his disposal, the large sum of Rs. 1,70,000 for minor irrigation works in Panchayats. But we are looking further ahead, and are exploring ways and means of increasing substantially the area in the State under paddy cultivation. The most important proposal with this end in view is the scheme for making use of the Chalakkudi waters. As is so often the case when two Governments have interests in the same river, discussions are prolonged, while the precious life-giving waters run to waste in the sea. When it is remembered that the discussions between Madras and Mysore which led up to the construction of the mighty Mettur Dam took 84 years to complete, we should perhaps account ourselves fortunate that the discussions regarding the Chalakkudi river have lasted only a little over 30 years, and although they are not at an end yet, we have such good hopes of a solution that a provision of Rs. 1½ lakhs has been made in this year's budget towards the cost of our scheme. This scheme is expected to bring between 6,000 and 12,000 acres of *paramba* under wet cultivation, besides, if the flow of water proves sufficient in the dry season, giving much needed security to the hot weather *kole* crop.

This Government considered that if there was ever a strong case for taking up the Chalakkudi scheme it was now. I accordingly discussed the question with the Diwan of Travancore, and the two Governments have agreed that, in view of the somewhat complicated questions involved, the two States should jointly employ an irrigation expert from Madras to report on the two schemes as early as possible. It was also agreed that provided, as a result of this report, an agreement is reached, there will be no objection to the Cochin Government proceeding with its Echipara scheme straightaway. The Chief Engineer is preparing an estimate and it is hoped that the expert will be able to visit the area and send his report in the not too distant future. Provided this report is favourable it is proposed that work should start within a few months.

I would like to take this opportunity to pay a tribute to that very great Indian statesman Sachivothama Sir C. P. Ramaswami Ayyar, who is so soon being translated to a higher post which he will adorn with all his accustomed brilliance. During my short term of office, I have had three opportunities of meeting him in conference regarding matters of interest to the two States, twice in Trivandrum and once here. On all these occasions I have found that his one desire was to promote the best interests of both the States, and that he was always ready to listen and give due heed to our point of view. All the subjects which we have discussed have either been

solved satisfactorily, or are in a fair way to solution. As examples of the advantages which have accrued from this co-operation during my brief tenure of office, I may instance, the supply of Pallivasal power, the joint scheme for working rice control, and the preliminary agreement regarding the Chalakkudi river schemes. Long may such friendly co-operation between the two sister States continue!

Lieut. Colonel G. P. Murphy, our Resident, with all his experience of both States has played a notable part in his quiet and unobtrusive way in establishing that cordial relationship which now exists between Travancore and Cochin. I would like to join with the Diwan of Travancore in praising his unstinted and continued helpfulness. In Cochin he has given relief to the labourers by the help he has given in connection with the formation of the Cochin State Labour Force. Behind the scenes he has done much to assist the State and, I may add, its Diwan.

Provision is also made in the budget for the Thottara Puncta Irrigation scheme which is designed to bring 670 acres of land under cultivation, and for reservoirs costing Rs. 13,000 for the relief of kole cultivators. There are also certain other irrigation schemes which the Chief Engineer has under examination. They are not ready for inclusion in the budget, but may appear in the form of supplementary grants later in the year.

A further means of increasing food production is the construction of the Anamallais Road which will open up some 2,000 acres of land suitable for paddy cultivation, besides a much larger area suited to the cultivation of plantation products. This scheme will also largely increase our production of timber, besides providing employment to our labourers, and, after completion, many other benefits both to this State and to the Anamallais tea district.

In our drive to secure a measure of self-sufficiency salt has not been forgotten. The entire supply for this State is at present imported. In order to explore the possibility of making our own salt we borrowed the services of an experienced salt officer from Madras, who reported that the prospects were fairly encouraging. Acting on his advice, we propose next year to begin the manufacture of salt on a small scale as an experimental measure.

A scheme which is definitely in the nation-saving category is the recruitment of the Cochin State Labour Force for the construction of military works of vital importance to the defence of India. A sum of Rs. 5.75 lakhs has been sanctioned for this scheme, recoverable from the Government of India, who have already advanced Rs. 3 lakhs. Much of this money has found its way into the homes of the poor. The labourers numbering 8,800, of whom 7,200 have already left the State are earning about Rs. 2,37,000 a month, and post masters in many parts of the State are working over-time dealing with the money orders which are pouring in. All however has not been smooth sailing. Discipline has not been satisfactory in the case of some Units, and arrangements are being made providing for better control over the labourers. I hope to give Hon'ble Members more information about the Force later in this Session.

In my opinion, the primary duty of Government, after providing for defence and for law and order, is to ensure so far as lies in their power that every man, woman and child in the State has a sufficiency of the bare essentials of life, and that starvation or semi-starvation is reduced to a minimum or banished altogether. The maintenance of the health and strength of the people is also a vital war need. Despite all the difficulties with which we have had to contend not least of which has been the rapid rise in the price of essential commodities, I venture to suggest that some progress has been made in this direction during the past year. The formation of the Cochin State Labour Force, the construction of the Anamallais Road, the food production drive, defence works, the partial revival in the coir trade and other factors have combined to give at least temporary relief to many of those who suffered from destitution and want. On several occasions of late there have even been complaints made to me of labour shortage. This was sweet music indeed to my ears. We must all of us see to it that there is no slackening in the drive to reduce unemployment and destitution. In this important effort we have the strongest support and encouragement from His Highness the Maharaja who has devoted his whole life to the service of his fellowmen, and who is more anxious even than any of us that his subjects should enjoy happiness and prosperity, and that none of them should suffer from want.

Taking stock then of the position generally in this State, we have, taking into account all the adverse and disturbing conditions inevitably associated with a world war, cause for sober satisfaction. Our financial position is so satisfactory, that we are able to increase our reserves to meet possible difficulties which may lie ahead, and yet at the same time make ample provision not only for the security services, and for the normal needs of the nation building departments but also for schemes and projects designed to make the State more self-sufficient, particularly

by increasing the area under paddy cultivation, and to provide more employment. I venture to suggest that the budget presented to the House represents a successful compromise between caution and boldness. Caution in war time is above all necessary in this State, where our income depends so much upon the use made of Cochin Port. Boldness is necessary in tackling problems which vitally affect the people as a whole and in particular the poorer classes at this time. This, I hope, may be called in some degree a poor man's budget.

In conclusion, I will refer to some developments connected directly or indirectly with the war effort. The important question of the development of industry in the State is of special interest now, in view of the large and varied requirements of the Indian Supply Department. Cochin State has several obvious advantages as an industrial centre. Intelligent labour is available in quantity and wage rates are not high, transport in the littoral tract is as cheap as anywhere in the world, and there is a splendid harbour. What we still lack is an abundance of cheap electric power. It is satisfactory that during the past year arrangements have been made with the Travancore State for the supply of power from the Pallivasal project, but due to war conditions, the quantity is strictly limited. Sir Henry Howard, the renowned expert on hydro-electrical engineering, paid a visit to the State recently. He has written a comprehensive report on the electricity supply position in the State and has sent recommendations for its rationalization, with due regard to future industrial development. This interesting and valuable report has just been received and is now being studied.

In these circumstances and under war conditions large scale industrial development cannot be expected, but in the meantime some progress has been made. A plywood factory under the experienced management of the Kallai Furniture Company is under construction at Chalakkudi and will start work soon. Ample provision has been made to ensure that His Highness' subjects have an adequate share in the financing and management of the new factory, and in the employment offered.

Constant touch has been maintained with the Supply Department, so as to ensure so far as possible, both that Cochin plays a worthy part in supplying the needs of India's defence services, and that employment is provided in the State. Cochin's principal contribution is still in timber. Our output this year is expected to be in the region of 11,000 tons, a quantity far in excess of that supplied in previous years. Schemes are under consideration for largely increasing the supply next year and we hope to make use of the Anamallais Road for this purpose. Vigorous efforts have been made to assist the coir trade in obtaining Supply Department orders, some success has been achieved, and future prospects are good, especially in connection with the supply of rope and cordage, a speciality of the Cochin coir business. In connection with War Supplies mention has also to be made of the important output of such Companies as Tatas, Bruntons and the South India Corporation. A scheme is also being worked out under the auspices of the Government of India for the production of war supplies on a considerable scale by small scale industries, which produce so large a part of the industrial output of India. It is expected that under this scheme the State will be able to provide work for a number of small scale industrial concerns in the State.

Important though this question of war supplies is, it is only a part of the contribution which this State is making towards the world-wide effort of the United Nations to defeat the forces of barbarism. In order to awaken the people thoroughly to the urgent necessity for helping the Allied cause, to strengthen morale by explaining the truth about the war and counter-acting false rumours or defeatist talk, and in order to collect funds for some tangible gift to be made by the State to the defence of India, a War Publicity Department was established on the lines of the one which worked so successfully in Madras. The organisation of the Department is well known to you and need not be described here. The Department carried on propaganda by means of meetings, the distribution of pamphlets and literature, a poster campaign, touring vans with cinema projectors and the publication of newspapers. This campaign met with considerable success and the torch has now been handed on to the Hon'ble Minister, who as leader of the non-party National War Front is with the assistance mainly of a non-official staff carrying on a vigorous campaign to strengthen the morale of the people, and to fill them with determination to defend India by withstanding aggression wherever it may be met. The National War Front launched with an inspiring message from His Highness bids fair to become a great popular movement in the State, and I hope that all Hon'ble Members will give it their strongest support, not only by joining the movement themselves, but by encouraging others to do so.

It was decided that Cochin's specific contribution towards the defence of India in the year 1117 should be a warship for the Indian Navy to be named H.M.I.S. Cochin. I am pleased

to be able to report that the whole cost, Rs. 7 lakhs, has now been remitted to the Government of India. The total is made up as follows.—

Government recurring contribution up to the end of July 1942	Rs. 2,40,000
Lump sum contribution by Government	Rs. 1,00,000
Contributions by the public	Rs. 3,28,390
Balance still due against which the Government have given an advance	Rs. 31,610
Total	Rs. 7,00,000

Arrangements are being made by the Government of India for the construction of the ship, though the exact date on which the keel will be laid cannot yet be given. The State War Committee hopes to repay the advance in the near future from subscriptions promised or to be collected. Considering the difficult year through which we have passed the response from the public must be considered satisfactory. The greater part of the money collected came from the well-to-do. It may also be mentioned that during the year 1117 the State has invested Rs. 12.5 lakhs in the Defence Loans.

The activities of the War Publicity Department also stimulated recruiting, carried on under the auspices of recruiting committees. There has been a marked improvement in recruiting in recent months, not only for the fighting services, but also for technician training. Recruiting officers and the Chairman of the National Service Tribunal have testified to the excellent response from this State.

So Cochin has made, during the year, a good contribution to the war effort of the United Nations, but we should endeavour to do still more. As loyal subjects of His Highness, who has shown in such unmistakable fashion his devotion to the cause, let us determine each and all of us to spare no effort to give of our utmost in personal service. There are many ways in which we can help towards victory. The more obvious are to serve in the defence services, or armament factories, to subscribe liberally to war funds or to war loans, or to make propaganda speeches; but there are many who can do none of these things. They too can help, just as surely in an infinite variety of ways. The cultivator who grows more food crops, the dock-worker or railway man who makes an extra effort to speed up the transport of goods, the ordinary men and women who remain calm and steady when others panic, the Government servant who cheerfully does his extra hours of work, all are helping to win the war. Time is passing, and time is all important in this war of humanity against barbarism. This is the first war in history in which no one in the world can afford to be a neutral. It is a war which will decide the future of a planet, it will decide whether the human beings on this earth are to be allowed to live their own lives and to call their souls their own or whether they are all, except a chosen few, to become regimented slaves, condemned for many generations to toil unceasingly for the benefit of a so-called master race, a race which has shown itself to be barbarous, pitiless and inhuman.

So let us pay heed to the stirring farewell message of His Royal Highness the Duke of Gloucester who has so recently left our shores:

"Lay aside your differences and stand together as one man and fight this fight out, by the side of your friends and allies, fight for your homes, your posterity and your culture. This terrible war can only end with our victory utter and complete."

Let us in Cochin see to it that we, each one of us, play our part in hastening that VICTORY.

Condolence Motion

Mr. T. K. Nayar (Minister for Rural Development): Mr. President Sir, "This Council desires to express, with due respect, its deep sorrow on the lamented demise of H. H. the late Valiamma Tampuran, and its sincere sympathy with His Highness the Maharaja and other members of the Ruling Family, in their sad bereavement".

In commending this motion to the acceptance of this House I am sure the House will agree with me that it is the solemn duty of this House to give expression to our profound grief on the demise of H. H. the late Valiamma Tampuran, and convey to His Highness the Maharaja of Cochin and the members of the Cochin Ruling Family our heartfelt condolences and sympathy. The loss suffered by the demise of Her Highness on 16th Edavam 1117 is an irreparable one both to the Cochin Public and to the Ruling Family. Her Highness was a good scholar in Sanskrit. The very simple and pious life which Her Highness has led in a manner characteristic of the members of the Cochin Ruling Family deserves to be regarded as an inspiring example to each and every one in Cochin. Born in 1035 Her Highness became the Valiamma Tampuran in 1105, and, ever since then, Her Highness took a very keen interest in